



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 17-19, 2009
NOTICE AND AGENDA
Meeting Agenda (as of 5:30 p.m., 11/06/09)

[Agenda Changes](#)

[Webcast on Tuesday, November 17, 2009](#)

Tuesday, November 17, 2009

9:30 a.m. Board Committee Meeting Convenes*

Board Meeting Convenes upon Adjournment of the Board Committee Meeting**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meetings*

[Legislative Committee](#)Mr. Horton, Committee Chair

I. 2010 Legislative Proposals

Set forth below are suggestions for property and business taxes legislation to be sponsored by the Board in the second year of the 2009-10 Legislative Session. Additional suggestions will be included on the agenda for December 2009.

Property Taxes

- 1-1 Amend Revenue and Taxation Code sections 61 and 5096 to (1) correct a renumbering error and (2) correct a cross reference error.
- 1-2 Amend Revenue and Taxation Code sections 63.1 and 69.5, related to (1) the parent-child change in ownership exclusion and (2) base year value transfers for those over 55, to clarify instances when the real property is held in a trust.
- 1-3 Amend Revenue and Taxation Code section 218 to replace specified disasters with a generic overall provision to retain homeowners' exemption on properties destroyed in governor-declared disasters.

- 1-4 Amend Revenue and Taxation Code section 276.1 to extend from 30 days to 90 days the time for a disabled veteran to file a claim to receive the disabled veterans' exemption retroactively to the effective date of disability in cases where the necessary disability rating letter issued by the United States Department of Veterans Affairs is not timely.
- 1-5 Amend Revenue and Taxation Code section 1611 to update language related to methods that a county assessment appeals board must use to record its hearings and, if requested, make a copy available to the appellant, in order to reflect technological advances.

2010 Legislative Proposals

Business Taxes-Sales and Use Taxes

- 3-1 Add section 6225.1 to the Revenue and Taxation Code to allow the Board to register certain persons that incur a use tax liability on a regular basis, who are not otherwise required to be registered.
- 3-2 Amend Revenue and Taxation Code sections 6452.1, 6453, 6487.3, and 18510 to eliminate the sunset date of December 31, 2009, in order to continue to require the Franchise Tax Board to provide a line for payment of use tax on the state income tax returns.
- 3-3 Amend Business and Professions Code section 7145.5 to authorize the Board to request the Contractor's State License Board for a denial or suspension of a contractor's license for failure to resolve any outstanding final tax or fee liabilities.
- 3-4 Amend Unemployment Insurance Code section 1088.5 to allow the Board to use the new employee registry information maintained by the Employment Development Department for tax enforcement purposes.

2010 Legislative Proposals

Business Taxes-Special Taxes and Fees

- 4-1 Amend Revenue and Taxation Code sections 41030, 41031, 41032, 41136, 41136.1, 41137, 41137.1, 41138, 41139, 41140, 41141, 41142, 45855, 45863, 45981, and 45982 and amend Public Resources Code section 42463 to reflect recent changes in California state government organizational structure.

II. Table of Sections Scheduled to Sunset by January 1, 2012

Notification of law sections administered by the Board that will sunset by January 1, 2012.

III. Final Status of Proposals for Board-Sponsored Legislation in 2009

Report on final status of proposals for Board-Sponsored Legislation in 2009.

Business Taxes Committee..... Ms. Yee, Committee Chairwoman

1. Proposed Regulation for *Audit Procedures* in General
Request approval and authorization to publish proposed Regulation 1698.5, Audit Procedures.

Customer Services and Administrative Efficiency Committee.....

Mr. Leonard, Committee Chair

1. Status Report Regarding Online Educational and Learning Products
 - Demonstration of Taxpayers' Rights Advocate Video and Enhanced Sales and Use Tax for Nonprofit PowerPoint with Voice-over.
 - Status Report Regarding Online Educational and Learning Products.

Board Meeting**

- A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)
 - B1. John Nelson and Ivy Nelson, 469840 +
For Appellant: Rita Madgett-Scott, Representative
For Franchise Tax Board: Diane Ewing, Tax Counsel
Bruce Langston, Tax Counsel
 - B2. Filtrona Industrial Corporation, 427430 +
For Appellant: Jeffrey Healy, Representative
Kimberly Reeder, Representative
For Franchise Tax Board: Craig Scott, Tax Counsel
Bruce Langston, Tax Counsel
 - B3. Keith Costello, 432902 +
For Appellant: Keith Costello, Taxpayer
Glenn R. Abel, Attorney
For Franchise Tax Board: Diane Ewing, Tax Counsel
Bruce Langston, Tax Counsel
- C. **Sales and Use Tax Appeals Hearings**
These items are scheduled for Wednesday, November 18, 2009.
- D. Special Taxes Appeals Hearings
There are no items for this matter.

E. Property Tax Appeals Hearings

These items are scheduled for Thursday, November 19, 2009.

F. Public Hearings

There are no items for this matter.

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

G1. Legal Appeals MattersMr. Levine

- Petitions for Rehearing
 1. City of Sacramento, 472921***
 2. Main Street California, Inc., 224746 (OH)
- Hearing Notices Sent – No Response
 3. Charan Singh Dhillon and Sukhwinder Singh, 437867 (KH)
 4. Ki Hwan Pae, 445598, 445929 (GH)
 5. Michael Joseph Cavallaro, 440139 (CH)
 6. CTC Liquidation, Inc., 420935 (BH)
 7. R.S. Basso, LLC, 396034 (JH)
- Hearing Notices Sent – Appearance Waived
 8. Sherlock Systems, Inc., 435794 (OH)
 9. Nalco Energy Services, LP, 104749, 135768 (OH)
- Petitions for Release of Seized Property
 10. Biricti Kahsai, 491643 (ET)
 11. Rajwant Kaur Dhillon, 496359 (ET)
 12. Mehra Corporation, 496329 (ET)

G2. Franchise and Income Tax MattersMs. Kelly

- Decisions
 1. Michael B. Azzam and Amalia Azzam, 431459
 2. Adalberto Barrios, 433000
 3. Daniel Buckler, 431056
 4. Ivy L. Calvin and Wendy D. Calvin, 469771
 5. Jose Luis Contreras, Jr., 447585
 6. Estate of Defang Ma (Deceased), 424293
 7. Mary Ann Del Valle, 431501
 8. Norman Edwards (Deceased), 451525
 9. Tammy S. Fisher, 419982
 10. Richard M. Friedel, 439485
 11. Ivo I. Georgiev, 443908
 12. Gamiel C. Gran and Gail K. Gran, 258344
 13. Christopher D. Harper, 439956
 14. Karl Ihrig, 449600
 15. Futo Tehshyong Kao, 404648
 16. Edmond C. Ku and Ellen Ku, 406864
 17. Eric G. Leonard, 451531
 18. Charles Lewis and Georgia Lewis, 405936
 19. Kenneth K. Low and Linda Marissa Low, 474345

20. Roger B. Menard and Mimi Platt, 422886
 21. Shelley E. McAlpine, 400659
 22. Daniel McInerney, 449284
 23. Glenn M. Rosen and Peggy A. Rosen, 462041
 24. Michael Ruggiero and Christine Sadel, 439529
 25. Johnny Stake, 468636
 26. Clinton Tinker, 468753
 27. Alvin J. Washington, 434784
 28. Theodore S. Wentworth and Diana Wentworth, 476742
 29. Barbara J. Whipple, 466276
 30. Robert M. Yeakey and Veronique Marie Yeakey, 468749
 - Petition for Rehearing
 31. Jeremiah S. Ryder, 399886
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 1. Elizabeth Dela Torre, 463915
 2. Bertha Garcia, 464119
 3. Maria Pacheco, 435517
 4. Rosalina A. Reyes, 448041
 5. Georgina Rogers, 436644
 6. Jack Stuart, 432467
- G4. Sales and Use Taxes Matters.....Ms. Henry
- Redeterminations
 1. Ralf Mandt-Rauch, 483500 (AS)
 2. Desiree C. (Garcia) Nutley, 478049 (EH)
 3. AGM Glass Machinery, Inc., 418977 (OH)
 4. Funny World, Inc., 394048 (AS)
 5. In L.A. Jewelry, Inc., 451064 (AA)
 6. Stanley Security Solutions, Inc., 445616 (OH)
 7. Amway Corporation, 436837 (OH)
 - Relief of Penalty/Interest
 8. EMC Corporation, 506836 (OH)
 9. Equilon Enterprises, LLC, 495651 (OH)
 10. Tower Energy Group, 506347 (AS)
 11. Home Shopping, LP, 505748 (OH)
 12. ATS Automation Tooling Systems, Inc., 506652 (OH)
 - Denials of Claims for Refund
 13. American Material Management Alliance, Inc., 333020 (EH)
 14. STMicroelectronics, Inc., 374890 (CH)
 15. Integrated Supply Network, Inc., 462796 (JH)
 16. 3M Company, 398837 (OH)
 17. Ford Motor Credit Company, 93946 (OH)

- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
- Credits and Cancellations
 1. Stephen J. Heuer, 505497 (GH)
 2. Unisys Corporation, 458688 (OH)
 3. Made2Manage Systems, Inc., 426243 (OH)
 4. California State Automobile Association, 507302 (BH)
 5. Worldwide Environmental Products, Inc., 470167 (EA)
 6. T A Operating Corporation, 461733 (OH)
 - Refunds
 7. Walt Disney Pictures & Television, 435361 (OH)
 8. Disney Worldwide Services, 435366 (OH)
 9. Chevron U.S.A., Inc., 489793 (BH)
 10. Raymar Information Technology, Inc., 467806 (KH)
 11. Harcourt, Inc., 494470 (OH)
 12. Hitco Carbon Composites, Inc., 485941 (AS)
 13. Professional Hospital Supply, Inc., 490851 (EH)
 14. Verity, Inc., 422052 (BH)
 15. Ripon Manufacturing Company, 426880 (KH)
 16. Stohlman & Rogers, Inc., 465762 (KH)
 17. Anheuser-Busch, Inc., 424505 (OH)
 18. Raytheon Technical Services Company, 464433 (OH)
 19. APV North America, Inc., 483751 (OH)
 20. Powell Electrical Systems, Inc., 467817 (OH)
 21. Safilo USA, 477959 (OH)
 22. NWA Fuel Services Corporation, 469435 (OH)
 23. Tyco Telecommunications (US), Inc., 424233 (OH)
 24. UPS Oasis Supply Corporation, 340492 (OH)
 25. DC Shoes, Inc., 473695 (FH)
 26. Francisco Abel Machuca, 434880 (EH)
 27. Owens & Minor Distribution, Inc., 494879 (OH)
 28. Owens & Minor Distribution, Inc., 494990 (OH)
 29. Owens & Minor Distribution, Inc., 494987 (OH)
 30. Owens & Minor Distribution, Inc., 494992 (OH)
 31. General Electric Company, 240394 (OH)
 32. 3M Company, 398837 (OH)
 33. CalMat Co., 492971 (AA)
 34. J.E. DeWitt, Inc., 447331 (AP)
 35. Ford Motor Credit Company, 93946 (OH)
 36. Shreve & Co. Jewelers, LTD, 473169 (OH)
 37. General Atomics Aeronautical Systems, Inc., 478142 (FH)
 38. Nestle USA-Prepared Foods Division, Inc., 465756 (OH)
 39. Siemens Transportation, 252135 (OH)
 40. Olson and Company Steel, 486416 (CH)
 41. Nuvelt Credit Corporation, 399888 (OH)
 42. Frederick Arnold Shaw, LLC, 494059 (AA)
 43. A-L Financial Corp., 488221 (EA)
 44. 1st United Services Credit Union, 482551 (CH)

- 45. Medcal Sales, LLC, 494427 (EH)
- 46. Pacific Cabinets, Inc., 469584 (OH)
- 47. H & E Equipment Services, Inc., 473163 (OH)

G6. Special Taxes Matters

There are no items for this matter.

G7. Special Taxes Matters – Credits, Cancellations,
and Refunds

Mr. Gau

- Credits and Cancellations
 - 1. Santa Maria Refining Company, 371844 (MT) 'CF'
 - 2. Pan Pacific Retail Properties, Inc., 444206 (MT)
- Refunds
 - 3. McLane/Suneast, Inc., 462371 (ET)
 - 4. Diageo North America, Inc., 473563 (ET) 'CF'

G8. Property Tax Matters Mr. Gau

- Petitions for Reassessment of Unitary Value
 - 1. Southwest Gas Corporation (152), 492249 'CF'
 - 2a. Pacific Terminals, LLC (488), 495429 'CF'
- Petition for Reallocation of Unitary Value
 - 2b. Pacific Terminals, LLC (488), 496063 'CF'
- Petition for Reassessment and Penalty Abatement on Unitary Value
 - 3. Astound Broadband, LLC (7832), 495663 'CF'
- Petition for Penalty Abatement on Unitary Value
 - 4. Calaveras Telephone Company (210), 492251 'CF'

There are no items for the following matters:

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

H1. Legal Appeals MattersMr. Levine

- Hearing Notice Sent – No Response
 - 1. [Michael Donovan Thompson, 381893 \(AR\) +](#)
- Cases Heard But Not Decided
 - 2. [A Realty Publications, Inc., 343231, 373181, 379332, 391653 \(EH\) +](#)
 - 3. [Select Office Solutions, Inc., 187460, 345451 \(AP\) +](#)
 - 4. [Elufa Corporation, 350440 \(AA\) +](#)
- Petition for Release of Seized Property
 - 5. [Zuma Arc, Inc., 466074 \(ET\) +](#)

- H2. Franchise and Income Tax MattersMs. Kelly
- Decision
 1. Gregory E. Mudwilder and Patricia A. Mudwilder, 444049
 - Petition for Rehearing
 2. Melvin L. George, Sr. and Laura Lee George, 443087
 - Hearing Notices Sent – Appearance Waived
 3. Marc Pretscher, 441638
 4. Marc Pretscher, 444263
- H3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- H4. Sales and Use Taxes MattersMs. Henry
- Relief of Penalty/Interest
 1. General Petroleum Corporation, 493595 (AA)
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMs. Henry
- Credit and Cancellation
 1. Artoor Keshish-Moses, 493010 (AC)
- H6. Special Taxes Matters Mr. Gau
- Denial of Relief of Penalty
 1. Big West of California, LLC, 460290 (MT)

There are no items for the following matters:

- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters

- H10. Legal Appeals Property Tax MattersMr. Ambrose
- Petition for Penalty Abatement on Unitary Value
 1. Vizada, Inc. (7948), 492252 – ‘CF’
 - Petition for Reassessment of Unitary Value
 2. Gilroy Energy Center, LLC (1129), 495853 – ‘CF’
 3. Los Esteros Critical Energy Facility, LLC (1143), 495857 – ‘CF’
 4. I-wireless, LLC (2780), 495445 – ‘CF’
 5. Level 3 Communications, LLC (7761), 495662 – ‘CF’

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

- I1. Property Taxes Matters..... Mr. Gau
- Unitary Assessment
 1. Local Fiber, LLC, (7976) – ‘CF’

- Unitary Land Escaped Assessments
 - 2a. Pacific Gas and Electric Company, (135) – 'CF'
 - 2b. Southern California Gas Company, (149) – 'CF'
 - 2c. Foresthill Telephone Company, (235) – 'CF'
 - 2d. Los Angeles SMSA Ltd., Partnership, (2532) – 'CF'
 - 2e. AT&T Mobility, LLC, (2606) – 'CF'
 - 2f. California Rural Service Area #1, Inc., (2671) – 'CF'
 - 2g. Sprint PCS, (2720) – 'CF'
 - 2h. MetroPCS California, LLC, (2733) – 'CF'
 - 2i. NTCH-CA, Inc., (2764) – 'CF'
 - 2j. Royal Street Communications, LLC, (2779) – 'CF'
 - 2k. Trillion Partners, Inc., (8094) – 'CF'
- Board Roll Changes
 - 3. 2006, 2007, 2008 and 2009 Board Rolls of State Assessed Property – 'CF'
- I2. Offers in Compromise Recommendations Ms. Ogrod/ Ms. Yang
 - 1. Valgene E. Christensen and Joan J. Christensen
 - 2. Fereidoon Esfandiary and Mr. Café
 - 3. Corner Cigars Distributing, Inc.

1:30 p.m. Board Meeting Reconvenes**

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B4. [Connie S. Ray, 418262 +](#)
 For Appellant: Connie S. Ray, Taxpayer
 Emily Foehr, Representative
 For Franchise Tax Board: Diane Ewing, Tax Counsel
 Bruce Langston, Tax Counsel
- B5. [Donald G. Northrup and Dacrey Northrup, 467011 +](#)
 For Appellant: David B. Porter, Attorney
 For Franchise Tax Board: Jenna Mayfield, Tax Counsel
 Mark McEvilly, Tax Counsel
- B6. [Victoria Soufflet, 461166 +](#)
 For Appellant: Victoria Soufflet, Taxpayer
 L. Tracy Mackenzie, Representative
 For Franchise Tax Board: Delinda Tamagni, Tax Counsel
 Bruce Langston, Tax Counsel

- B7. [Lester Eaton and Karen Eaton, 481267 +](#)
For Appellant: Lester Eaton, Taxpayer
Karen Eaton, Taxpayer
For Franchise Tax Board: Maria Brosterhous, Tax Counsel
Jean Cramer, Tax Counsel

Chief Counsel Matters

- J. Rulemaking
This item is scheduled for Thursday, November 19, 2009.

There are no items for the following matters:

- K. Business Taxes
L. Property Taxes
M. Other Chief Counsel Matters
This item is scheduled for Thursday, November 19, 2009.

Administrative Session

The following items are scheduled for Thursday, November 19, 2009.

- N. Consent Agenda
O. Adoption of Board Committee Reports and Approval of Committee Actions
P. Other Administrative Matters

Q. Closed Session

These items are scheduled for Thursday, November 19, 2009.

Adjourn - The meeting will reconvene on Wednesday, November 18, 2009, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
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- *** Municipalities are exempt from Contribution Disclosure requirements, for further information please telephone Rick Bennion, Contribution Disclosure Analyst at (916) 445-2130 or email: Richard.Bennion@boe.ca.gov.
- + Material is available for this Item.
- ++ Material will be available at a later date.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- C1. [James Fishman, 355538 \(CH\) +](#)
For Petitioner: James Fishman, Taxpayer
For Department: Cary Huxsoll, Tax Counsel
- C2. [Nickolaos Papadopoulos and Dimitra Papadopoulos, 436833, 461505 \(GH\) +](#)
For Petitioner/Claimant: George H. Ellis, Representative
For Department: Scott Lambert, Hearing Representative
- C3. [Bruce Arthur Schoen, 421602 \(CH\) +](#)
For Petitioner: Bruce Schoen, Taxpayer
Peter Pappas, Attorney
For Department: Andrew Kwee, Tax Counsel
- C4. [Jerjes A. Izhaq and Nemeh T. Zarour, 423914 \(KH\) +](#)
For Petitioner: Jerjes A. Izhaq, Taxpayer
Nemeh T. Zarour, Taxpayer
For Department: Scott Lambert, Hearing Representative

- C5. [Musleh Saleh Zokari, 392337 \(KH\) +](#)
For Petitioner: Musleh Zokari, Taxpayer
Gabriel Ruiz, Representative
For Department: Scott Lambert, Hearing Representative

1:30 p.m. Board Meeting Reconvenes**

C. Sales and Use Tax Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- C6. [Julie Lynn Cossey, 441252 \(KH\) +](#)
For Petitioner: Julie L. Cossey, Taxpayer
Anthony Harmon, Witness
For Department: Scott Lambert, Hearing Representative

Local Tax Reallocation Hearing

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.***)

- C7. [City of Los Angeles, City of San Jose, and City of Irvine, 472925 +](#)
For Petitioner: Albin C. Koch, Representative
Eric Myers, Representative
Janis Varney, Representative
For Affected Jurisdiction: Robin Sturdivant, Representative
City of Merced
For Department: Carole Ruwart, Tax Counsel

Adjourn - The meeting will reconvene on Thursday, November 19, 2009, at 9:30 a.m.

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E. Property Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

Petitions for Reassessment of Unitary Value

E1. [Qwest Communications Corporation \(2463\), 494029 – 'CF' +](#)

For Petitioner: Peter Hladek, Representative
Christopher Zamora, Representative
Andrew Davis, Representative
For Department: Andrew Jacobson, Tax Counsel

E2. [Sprint PCS \(2720\), 495664 – 'CF' +](#)

For Petitioner: Gene Harris, Taxpayer
Louis Dancer, Taxpayer
Richard Wiley, Attorney
Jerome Weinert, Representative
For Department: Matthew Burke, Tax Counsel

E3. [Golden State Water Company \(101\), 495665 – 'CF' +](#)

For Petitioner: Peter Hladek, Representative
Andrew Davis, Representative
For Department: Carole Ruwart, Tax Counsel

Chief Counsel Matters

J. Rulemaking

[Section 100 Changes to Regulations +](#) Mr. Heller

J1. Adopt proposed revisions to Alcoholic Beverage Tax Regulations:

Regulation 2504, *Distilled Spirits Produced, Packaged, or Bottled*

Regulation 2505, *Bottled or Packaged Distilled Spirits Acquired in California*

Regulation 2506, *Bottled or Packaged Distilled Spirits Imported*

Regulation 2507, *Distilled Spirits Sold or Exported*

Regulation 2508, *Distilled Spirits Invoices and Bottling or Packaging Records*

Regulation 2509, *Prepayment of Distilled Spirits Tax; Consolidated Returns*

Regulation 2512, *Beer and Wine Production; Beer Bottling; Wholesalers' Beer and Wine Purchases*

Regulation 2513, *Beer and Wine Imported*

Regulation 2514, *Beer and Wine Sold*

Regulation 2525, *Contents*

Regulation 2530, *Inventories*

Regulation 2535, *Distilled Spirits*

Regulation 2536, *Beer Manufacturers*

Regulation 2537, *Wine Growers*

Regulation 2538, *Beer and Wine Importers*

Regulation 2540, *Common Carrier Receipts and Delivery Reports*

Regulation 2541, *Common Carrier Tax Reports*

Regulation 2542, *Public Warehouses*

Regulation 2543, *Customs Brokers*

Regulation 2544, *Conversion of Liters to Gallons*

Regulation 2557, *Powdered Distilled Spirits*

Regulation 2560, *Treated as Sales*

Regulation 2561, *Exports and Sales for Export*

Staff request for the Board's authorization to complete Rule 100 changes to correct grammatical errors and revise outdated references in specified Alcoholic Beverage Tax regulations.

M. Other Chief Counsel Matters

M1. [Opinion and Recommendation on Federal Ban](#) Mr. Ferris/
[and Attorney General's De-Listing of Flavored Cigarettes and](#) Mr. Haas
[Roll-Your-Own Tobacco Products; Board Approval Requested +](#)

Analysis and Recommendation on Federal Ban and Attorney General's Removal of Flavored Cigarettes and Roll-Your-Own Tobacco Products from Tobacco Directory.

Administrative Session**N. Consent Agenda** Ms. Olson
(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)N1. [Retirement Resolutions +](#)

- Frederick T. Bagood
- Patricia A. Clough
- Kathleen Cobb
- Lucille C. Lascano
- Steven Macken
- Susan A. Mayhew
- Richard L. Rinetti
- Frances L. Schmelter
- Edwin Studer, Jr.

N2. Approval of Board Meeting Minutes

- [July 21, 2009 +](#)

N3. [Approval of 2010 Timberland Production Zone Values +](#)

For the 2010 lien date, request approval for certification by the Board to county assessors of the current values of lands zoned for timberland production.

N4. [Approval of Effects of Proposition 10 on Cigarette and Tobacco Products Consumption +](#)

Section 130105(c) of the Health and Safety Code requires the Board to determine the effect of Proposition 10 on the consumption of cigarettes and tobacco products and directs that a transfer of funds to certain Proposition 99 and Breast Cancer programs be made to backfill for revenue losses to those programs resulting from consumption changes triggered by Proposition 10. The intent is to keep the funding levels of such programs from declining any more than they would have decreased without the Proposition 10 tax increase.

N5. [Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 5, Returns +](#)

Proposed section 570.095 incorporates new procedures for processing unapplied remittances.

N6. [Approval of Proposed Property Tax Form BOE-263-C, Church Lessors' Exemption Claim +](#)

SB 824 (Stats. 2009, ch. 67) amended Revenue and Taxation Code section 214.6 to provide that property leased by a church to a public school, community college, state college, or state university, and used jointly by a church, may be eligible for the welfare exemption from property taxes, and required that a claim be filed annually with the county assessor.

N7. [Approval of Assessors' Handbook Section 531, Residential Building Costs +](#)

Request approval for publication of 2010 revision of Assessors' Handbook 531, *Residential Building Costs*.

N8. [Approval of Assessors' Handbook Section 534, Rural Building Costs +](#)

Request approval for publication of 2010 revision of Assessors' Handbook 534, *Rural Building Costs*.

O. Adoption of Board Committee Reports and Approval of Committee Actions

O1. Legislative Committee

O2. Business Taxes Committee

O3. Customer Service and Administrative Efficiency Committee

P. Other Administrative Matters

There are no items for the following matters:

P1. Executive Director's Report

P2. Chief Counsel Report

P3. Deputy Director's Report

There are no items for the following matters:

a. Sales and Use Tax

b. Property and Special Taxes

c. [Administration +](#)..... Ms. Houser

1. [Contract Over \\$1 Million—This item is for Board approval.+](#)

Hygiene Technology International, Inc. contract amendment that increases the amount of the contract and extends the term.

2. Facilities Update—This item provides information and may require Board action or direction.

- Headquarters Facilities—Update on the Headquarters Remediation Project including the activated swing space moves within the building.
- Site Search Selection—Update on the site search selection for the Headquarters annex.

3. 2009/10 and 2010/11 Budget Update, Furlough Plan and Layoffs

Information on recent developments regarding the Governor's 2009/10 and 2010/11 Budget, Governor's Executive Order S-16-08 State Employee Furlough, and layoffs. Possible action or direction may be requested regarding the Governor's Budget and Executive Order.

d. Technology

There are no items for this matter.

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2. Pending litigation: *Sprint Communications v. Board of Equalization*, San Francisco County Superior Court Case No. CGC-06-455982 (Gov. Code § 11126(e))
- Q3. Pending litigation: *Governor Arnold Schwarzenegger, et al. v. State Controller John Chiang, et al.*, Sacramento County Superior Court Case No. 34-2009-80000158 (Gov. Code § 11126(e))
- Q4. Pending litigation: *Schroeder, et al. v. Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q5. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session..... Ms. Olson

Adjourn

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- *** Municipalities are exempt from Contribution Disclosure requirements, for further information please telephone Rick Bennion, Contribution Disclosure Analyst at (916) 445-2130 or email: Richard.Bennion@boe.ca.gov.

- + Material is available for this Item.
- ++ Material will be available at a later date.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.